

Preparing Vermont Learners for Success Today and Beyond

Vermont State Board of Education
FY 2011 Budget Recommendations

February 2010

www.education.vermont.gov/net/html/pubs/budget_book_11.html



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Message from the State Board Chair and Commissioner

We are submitting this FY2011 budget during a time of continued economic hardship on the local, state, national and international level. Over the past year we have seen state budgets reduced, revenues struggling to recover, and the loss of employment for many in the education field. At the same time an influx of federal American Recovery and Reinvestment Act funds is providing opportunities for schools to continue critical programs.

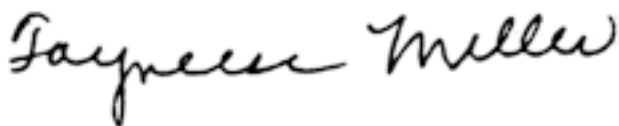
With this in mind the Board and department continue the Transformation of Education effort, which is designed to provide the best education possible for students in the 21st century. Success stories can be found across the state as schools change the way they deliver education in a way that meets the individual needs and talents of students, keeps more students in school, and engages those who may have previously been considered unreachable. In this way we will positively affect the education of our children and the prosperity of our state.

As we move forward in these challenging economic times it is more imperative than ever that everyone focuses their efforts on improving instruction for all Vermont students. Currently we are reorganizing the department to align with our model of a statewide system of school support. This is a way of realigning our resources with the changing needs of schools to ensure all schools, and therefore all students, can be given the support they need to be successful. Following the loss of 41 positions (or 20 percent of our staff) in the last 18 months, and the need to refocus our priorities, we look forward to better serving the field in this restructured environment.

During this process, the State Board is also rewriting its five-year strategic plan as required by statute. This plan is being heavily influenced by two important documents that have been the focus of the Board for the last few months: *Roots of Success: Effective Practices in Vermont Schools*, and the Education Transformation Policy Commission's *Opportunity to Learn: Defining Vermont Education for a New Generation of Learners*. *Roots of Success*, the result of months of work by department staff and volunteers from the field, uses a combination of quantitative and qualitative research to identify the characteristics common to effective schools. Through a large-scale survey of more than 2,000 Vermont teachers in 87 schools across the state, as well as intensive site visits to three schools that are "beating the odds" (schools whose Reading and Mathematics scores on state assessments defy expectations and exceed those of other schools with similar demographics), the panel discovered a set of attitudes and beliefs, as well as specific school practices, that are associated with student success, particularly those students from low socioeconomic status.

As the title implies, the Transformation Policy Commission's report focuses on how every student can attain 21st century skills when provided with focused and personalized opportunities for learning. The report is organized into five policy sections and addresses many specific policy actions, including 21st century skills and revising the Vermont Framework, multiple ways of learning, learning outside of school, greater interdisciplinary learning, routine early college opportunities, learning focused on deep understanding of concepts, proficiency-based grading and graduation and true personalization. The recommendations also address setting new standards for education quality and educator quality, as well as recommendations for education redistricting as a means of achieving greater efficiency and economy.

We hope you find this document helpful in moving our joint work forward. Thank you for considering our request.



Fayneese Miller
State Board Chair



Armando Vilaseca
Commissioner

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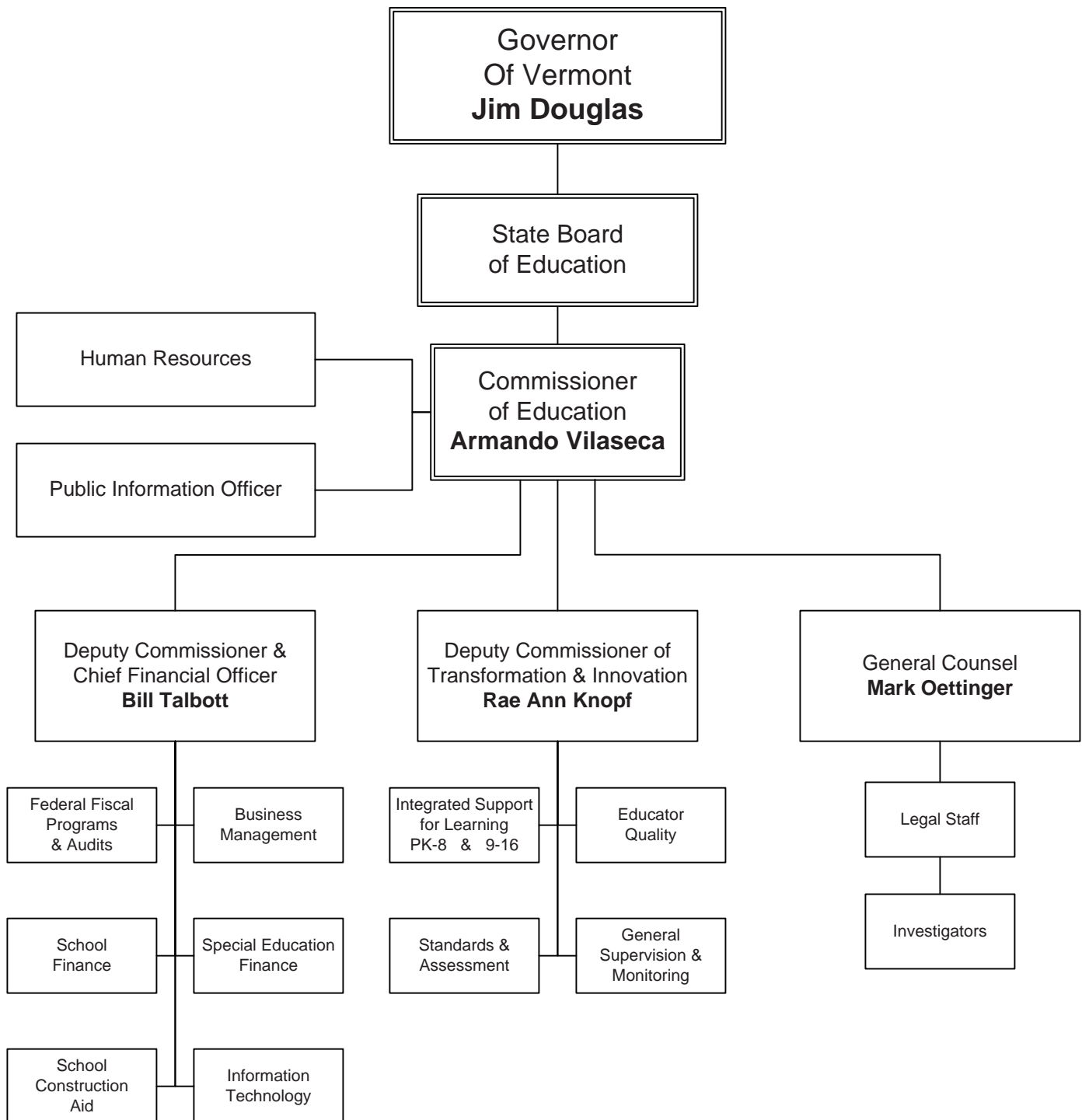
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Organizational Chart



Supporting Schools & Educators

	FY 09	FY 10*
	School Year 2008-2009	School Year 2009-2010
Public Schools and Private Academies		
Elementary (K-6)	159	156
Secondary (7-12)	55	55
Combined (Elementary & Secondary)	97	98
Private Academies acting as public schools	4	4
Total Public Schools.....	315	313
Technical Centers	15	15
Total Public Schools & Technical Centers	330	328
Independent Schools & Programs		
Approved Independent Schools.....	93	92
Approved Kindergartens	4	2
Recognized Independent Schools	41	39
State-operated Facilities	1	1
Approved Tutorials.....	2	2
Approved Pregnant and Parenting Programs.....	1	1
Total Independent Schools & Approved Programs	142	137
Public Education Governing & Administrative Entities		
Town, City & Incorporated School Districts		
(including 12 supervisory districts).....	239	239
Union School Districts (includes four unified union districts).....	39	39
Interstate School Districts	2	2
Total School Districts	280	280
Technical Center School Districts	3	3
Supervisory Unions.....	46	46
Joint Contract Schools.....	5	4
Gores & Unorganized Towns	9	9
Total Public Education Governing & Administrative Entities.....	343	342
Public School Administrators		
Superintendents	61	57
Principals	309	313
Vocational/Tech. Center Directors.....	26	27
Business Managers	64	62
Special Education Directors.....	87	89
Total Public School Administrators.....	547	548
Teachers (FTE)	8,855	8,728
School Boards	285	285
Local School Board Members	1,444	1,444

*Estimated numbers as of January 2010, subject to change

Supporting Learners

	FY 09	FY 10*
	School Year 2008-2009	School Year 2009-2010
Publicly Funded Students (Enrolled as of October 1)		
Vermont Public Schools	89,547	88,342
Vermont Approved Independent Schools	1,024	1,026
Vermont Private Academies	2,202	2,089
Out-of-State Schools	905	900
Vermont State Agency and Other	229	279
Total Publicly Funded Students	93,907	92,636
Public School Enrollment		
K-12	85,041	83,736
Early Education (Pre-K)	3,689	3,776
Essential Early Education*	1,043	1,054
<i>*Children ages 3 to 5, excluding those enrolled in kindergarten programs</i>		
Total Public School Enrollment	89,773	88,566
Academies Serving as Public Schools	2,719	2,567
Approved Independent (K-12)	7,365	7,342
Recognized Independent (K-12)	1,272	1,108
Home Study (K-12)	2,035	2,128
Approved Independent Kindergartens	113	68
Total Pre-K-12 Enrollment	103,277	101,779
Technical & Adult Education Enrollment (categories not mutually exclusive)		
Technical Centers	5,697	5,625
Adults - Daytime Courses	117	126
Adults - Evening Courses	4,846	4,333
Adult Education & Literacy	7,375	7,205
GED Certificates Granted (FY10 through 2nd quarter)	1,917	841
Education & Training - Criminal Offenders	232	218
Adult Diploma Program (FY10 through 2nd quarter)	576	335
High School Completion (FY10 through 2nd quarter)	636	573
Student Support Programs Enrollment (categories not mutually exclusive)		
Special Education (ages 3-21)	14,011	14,024
Act 230 Instructional Support	9,469	9,721
Title I	31,875	33,469
Title I (Preschool)	1,033	1,156
Migrant Education	485	448
Limited English Proficiency (LEP)	1,650	1,800
Neglected and/or Delinquent	717	750
Homeless	833	887
Even Start - Children	106	70
Even Start - Adult	90	61

Department of Education 2010 Budget Overview

FY 2011 Department of Education Budget Summary

This year's Budget Book is abbreviated because of the reorganization the department is currently undertaking. In light of the fiscal challenges and the changing demands on schools, we are focusing our work on supporting schools to improve instruction. The description of our work toward this is described in the introduction to the Education Services budget on page 16.

For FY2011, the department's total budget request increases by \$73,440,929. The increase is caused largely by the inclusion of \$46,719,169 from the American Recovery and Reinvestment Act, with another \$21,830,680 coming from a projected increase in education spending.

Our General Fund budget has decreased by \$2,734,171. However, \$1.8 million of this is because of a shift from the General Fund to the Education Fund for Adult Education and Literacy programs made in the Budget Adjustment Act for FY 2010. The details of the General Fund decrease are shown below:

FY 2010 General Fund	\$11,407,559
First Rescission	- \$175,237
First Rescission AEL Shift to Education Fund	-\$1,800,000
Second Rescission Reflecting Reductions in Force	-\$470,406
Adjustment to FY 2010 Base	9,312
Third Rescission, Early Retirement	-\$110,673
Reduction for VISION Shift to Education Fund	-\$242,516
Decrease in Fee for Space	-\$5,467
Reductions in Grants	-\$72,445
Reduction in Temporary Positions	-\$26,364
Internal Service Fund Increases	15,709
Salary and Benefit Increases	\$144,216
FY 2011 General Fund	<u>\$8,673,688</u>

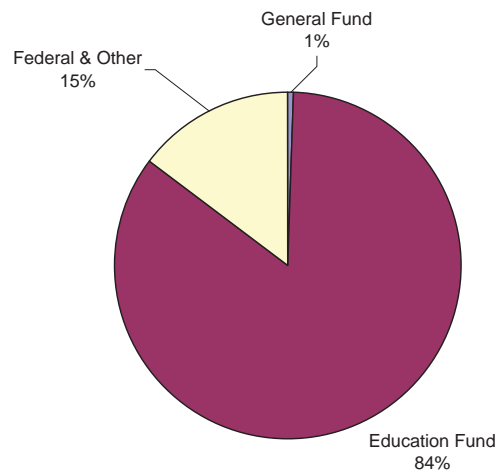
The Education Fund budget reflects amounts required by current law. The largest expenditure line from the Education Fund is the Education Spending Grant. For FY 2011 we have projected a 1.96 percent increase (\$22.7 million). This was used as the basis for the Tax Commissioner's 2.2 cent increase in the base homestead tax rate issued December 1, 2009. We plan on updating this projection in late February after we receive school board budget proposals up for consideration on Town Meeting Day.

As is being done in FY 2010, \$38.6 million of American Recovery and Reinvestment Act funds are included in the amount funding school district education spending. The Governor has recommended certain changes to portions of the public school funding law to address the problems brought about by the current recession. This results in some reductions that are not reflected in the amounts shown here. These amounts will serve as a base for comparison to determine savings.

Department of Education Budget Overview

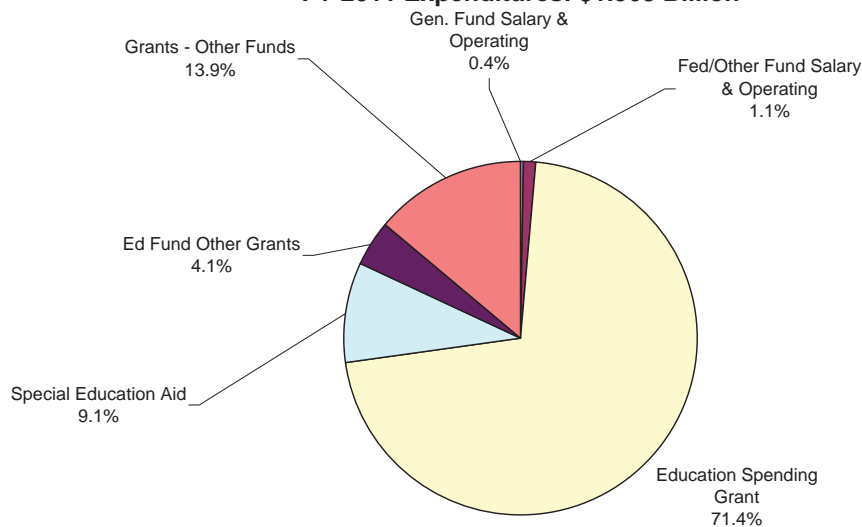
The pie chart below shows major sources of funding. Eighty-four percent of the \$1.568 billion budget comes from the Education Fund, and one percent is from General Fund dollars.

FY 2011 Fund Sources: \$1.568 Billion



This chart shows major categories of expenditures. One and a half percent of the total funds Department operations. The remaining 98.5 percent comprises grants. Again, the vast majority of expenditures are from the Education Fund in the form of direct payments to school districts.

FY 2011 Expenditures: \$1.568 Billion



Department of Education Budget Overview

Appropriation Categories By Funding Source	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
DEPARTMENT GRAND TOTAL			
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	19,836,435	19,149,594	(686,841)
OPERATING EXPENSES	3,703,232	3,492,095	(211,137)
GRANTS	<u>1,471,372,592</u>	<u>1,545,711,499</u>	<u>74,338,907</u>
TOTAL ALL CATEGORIES	1,494,912,259	1,568,353,188	73,440,929

SOURCE OF FUNDS DETAIL

GENERAL FUND			
PERSONAL SERVICES	5,949,297	5,383,172	(566,125)
OPERATING EXPENSES	1,027,958	732,357	(295,601)
GRANTS			
1 Education Services	1,842,309	1,769,864	(72,445)
2 Adult Education & Literacy	<u>787,995</u>	<u>787,995</u>	<u>0</u>
GRANT TOTAL	<u>2,630,304</u>	<u>2,557,859</u>	<u>(72,445)</u>
TOTAL GENERAL FUND	9,607,559	8,673,388	(934,171)
EDUCATION FUND			
PERSONAL SERVICES	0	0	0
OPERATING EXPENSES	0	427,526	427,526
GRANTS			
3 Technical Education	12,800,000	12,784,382	(15,618)
4 Special Education Formula	142,457,975	142,457,975	0
5 State-placed Students	18,900,000	16,402,836	(2,497,164)
6 Adult Education & Literacy	4,800,000	5,800,000	1,000,000
7 Statewide Education Spending	1,097,524,964	1,120,207,798	22,682,834
8 Essential Early Education	5,700,000	5,679,216	(20,784)
9 Transportation	15,542,809	15,782,031	239,222
10 Small School Support	6,977,336	7,000,000	22,664
11 Capital Debt Service Aid	188,000	180,000	(8,000)
12 Education Services	<u>1,131,751</u>	<u>1,131,751</u>	<u>0</u>
GRANT TOTAL	<u>1,306,022,835</u>	<u>1,327,425,989</u>	<u>21,403,154</u>
TOTAL EDUCATION FUND	1,306,022,835	1,327,853,515	21,830,680

Grants

These grants are described in greater detail as referenced:

- | | |
|---|---|
| 1. Education Services: page 20 | 7. Statewide Education Spending: page 35 |
| 2. Adult Education & Literacy: page 33 | 8. Essential Early Education: page 36 |
| 3. Technical Education: page 29 | 9. Transportation: page 36 |
| 4. Special Education Formula: page 31 | 10. Small School Support: page 37 |
| 5. State-placed Students: page 32 | 11. Capital Debt Service Aid: page 37 |
| 6. Adult Education & Literacy: page 33 | 12. Education Services: page 22 (#14) |

Department of Education Budget Overview

Appropriation Categories By Funding Source	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
ARRA FUND			
PERSONAL SERVICES	0	0	0
OPERATING EXPENSES	0	0	0
GRANTS			
13 Education Services	0	46,719,169	46,719,169
TOTAL ARRA FUND	0	46,719,169	46,719,169
TOBACCO LITIGATION FUND			
PERSONAL SERVICES	131,153	129,931	(1,222)
OPERATING EXPENSES	57,584	46,222	(11,362)
GRANTS			
14 Tobacco Litigation	800,180	812,764	12,584
TOTAL TOBACCO LITIGATION FUND	988,917	988,917	0
FEDERAL, SPECIAL & INTERDEPARTMENTAL FUNDS			
PERSONAL SERVICES	13,755,986	13,636,491	(119,495)
OPERATING EXPENSES	2,617,689	2,285,990	(331,699)
GRANTS			
15 Finance & Administration	12,084,730	11,384,730	(700,000)
16 Education Services	110,062,846	117,039,291	6,976,445
17 Special Education Formula	230,000	230,000	0
18 Statewide Education Spending	38,575,036	38,575,036	0
19 Adult Education & Literacy	875,661	875,661	0
20 Act 117 Cost Containment	91,000	91,000	0
TOTAL GRANTS	161,919,273	168,195,718	6,276,445
TOTAL FED, SPEC, INTERDEPT. FUND	178,292,948	184,118,199	5,825,251
TOTAL ALL CATEGORIES	1,494,912,259	1,568,353,188	73,440,929

Grants

These grants are described in greater detail as referenced:

13. Education Services: page 26

14. Tobacco Litigation: page 38

15. Finance & Administration: page 15

16. Education Services: page 22-24 (#15-26) &
page 26 (#54-57)

17. Special Education Formula: page 31

18. Statewide Education Spending: page 35

19. Adult Education & Literacy: page 33

20. Act 117 Cost Containment: page 38

Finance & Administration

The **Central Office** includes the commissioner and his direct staff. They support his or her work and that of the State Board and department as a whole.

The *Public Information Officer* coordinates department communications with the field and manages public information inquiries for the range of constituencies interested in and served by the department. The *Web Manager* oversees and maintains the department Web site, its contents and operations.

The *Human Resources* director coordinates with the State Department of Human Resources to provide personnel services for Department of Education staff, including recruitment, orientation and professional development.

The **Legal Unit** is composed of the department's general counsel, two additional staff attorneys, two investigators and a paralegal/administrator. This team represents the commissioner, the State Board of Education, and the Department of Education in litigation and contract matters, as well as legislative advocacy, administrative rulemaking and educator licensing sanctions. They conduct administrative hearings and oversee the dispute resolution processes for special education.

The following Finance and Administration programs are overseen by the Chief Financial officer:

Business Management performs the accounting, budgeting, grants management, payroll, logistics and other business management functions of the department.

Special Education Finance provides the department's administrative services for claiming eligible special education expenses under 16 V.S.A. Chapter 101 and the federal Individuals with Disabilities Education Improvement Act. Services include distribution of financial aid for special education as well as the audit and monitoring requirements of these programs, as required by Act 117. This group also provides the department's administrative services and technical assistance to school districts for claiming eligible special education expenses under 16 V.S.A. §2959(a).

The **Federal Fiscal Monitoring Team** is responsible for the fiscal monitoring of school districts and other organizations receiving federal grants, and reviews all school district audits required under 16 V.S.A. §§323 and 563(17). This team is also responsible for managing the department's contracting process.

School Finance administers public school funding as required by 16 V.S.A. Chapter 133, better known as Act 68, which distributes over \$1 billion to Vermont's public schools. It also collects and analyzes school expenditure and revenue data for use by policymakers and others. The team conducts training sessions for school business managers each year and works closely with the Vermont Association of School Business Officials (VASBO).

School Construction provides technical assistance and state grants that provide 30 percent of eligible construction costs to public schools with voter- and State Board-approved construction projects as prescribed by 16 V.S.A. §3448. Additionally, Act 68 of 2003 provides for 50 percent state funding for approved projects which facilitate cost-effective school consolidations. Even though funding for new construction projects are on hold, staff still provide technical assistance for current projects and renovations, as well as for school maintenance and air and building quality.

Finance & Administration

The **Information Technology (IT)** division serves the department in its networking, system development and data administration needs.

Network Administration

This group designs, configures and installs the department's local area network hardware and software. The staff also set up personal computers, printers, manage firewalls, and are responsible for managing the application servers which house the department's Web-based applications. In addition, this team is responsible for designing guidelines that describe the proper usage of the department's network, security and backup procedures.

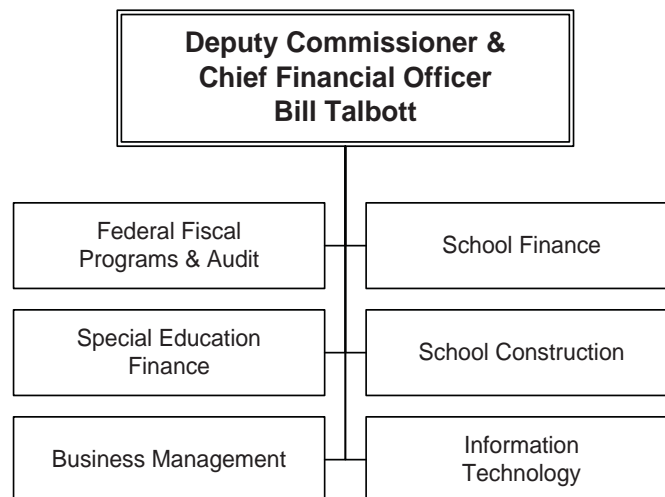
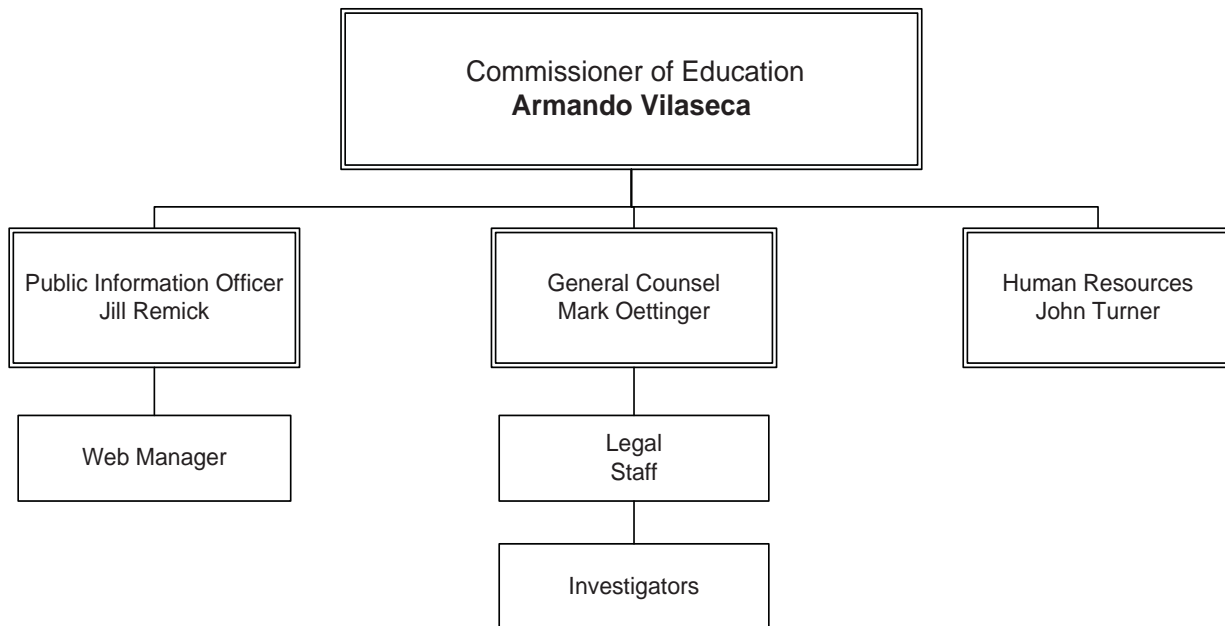
Database Administration and System Development

This group is responsible for the development and administration of the department's internal and Web-based information systems. In addition to the 30-plus systems maintained by this group, they are responsible for the administration of the Education Data Warehouse (EDW). The EDW is a longitudinal information system used by the department and schools across the state.

Data Management and Analysis

This group provides data administration and support for the department's core data collections. This work involves business analysis, system testing and data quality control and training for school staff. In addition, this group coordinates the submission of over 150 data reporting requirements to the U.S. Department of Education, is responsible for the operation of the IT helpdesk and designs guidelines regarding data use and ownership.

Finance & Administration Organizational Chart



Finance & Administration

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	5,498,188	5,666,454	168,266
OPERATING EXPENSES	1,651,304	1,715,341	64,037
GRANTS	<u>12,084,730</u>	<u>11,384,730</u>	<u>(700,000)</u>
TOTAL ALL CATEGORIES	19,234,222	18,766,525	(467,697)
SOURCE OF FUNDS			
GENERAL FUND (A)	3,409,206	3,103,135	(306,071)
EDUCATION FUND (B)	0	427,526	427,526
FEDERAL FUNDS (C)	2,010,732	2,012,287	1,555
SPECIAL FUNDS (D)	13,809,554	13,218,847	(590,707)
INTERDEPT. TRANSFER (E)	<u>4,730</u>	<u>4,730</u>	<u>0</u>
TOTAL ALL SOURCES	19,234,222	18,766,525	(467,697)

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
PERSONAL SERVICES	2,723,949	2,644,755	(79,194)
OPERATING EXPENSES	685,257	458,380	(226,877)
GRANTS	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL GENERAL FUND	3,409,206	3,103,135	(306,071)
(B) EDUCATION FUNDS			
PERSONAL SERVICES	0	0	0
OPERATING EXPENSES	0	427,526	427,526
GRANTS	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EDUCATION FUNDS	0	427,526	427,526
(C) FEDERAL FUNDS			
PERSONAL SERVICES	1,384,656	1,584,573	199,917
OPERATING EXPENSES	626,076	427,714	(198,362)
GRANTS	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FEDERAL FUNDS	2,010,732	2,012,287	1,555
(D) SPECIAL FUNDS			
PERSONAL SERVICES	1,389,583	1,437,126	47,543
OPERATING EXPENSES	339,971	401,721	61,750
GRANTS			
1 Medicaid	<u>12,080,000</u>	<u>11,380,000</u>	<u>(700,000)</u>
TOTAL SPECIAL FUNDS	13,809,554	13,218,847	(590,707)
(E) INTERDEPT. TRANSFER			
PERSONAL SERVICES	0	0	0
OPERATING EXPENSES	0	0	0
GRANTS			
2 Medicaid	<u>4,730</u>	<u>4,730</u>	<u>0</u>
TOTAL INTERDEPT. TRANSFER	4,730	4,730	0
TOTAL ALL SOURCES	19,234,222	18,766,525	(467,697)

Grants

1 & 2. Medicaid: Funds are derived from federal Medicaid reimbursements for school-based services to children on Individual Education Programs (IEPs). Under 16 V.S.A.

\$2959(e), school districts use these grants for prevention and intervention programs in grades Pre-K - 12 and for the administrative costs of school-based health services.

Creating a Statewide System of Support

Vermont State Board of Education transformation goals require a new emphasis on the part of Department of Education staff that models the tenets of transformation, supports the strategies and goals defined, and positions the department in a way that increases support for schools and ultimately for improving learning outcomes for all Vermont children.

Unfortunately, the recent economic crisis has left the Department of Education with 20 percent fewer staff. Additionally, requirements from the U.S. Department of Education increasingly emphasize employing statewide reform and systematic efforts for a) improving the lowest performing schools, b) increasing achievement levels for all students, c) implementing data systems to assess student outcomes and improve instruction, and d) increasing teacher and principal effectiveness.

In a recent analysis involving 99 percent of Department of Education staff, 92 percent of us said our current “one-deep” and “silo-like” structure keeps us working in isolation and makes it difficult for us to collaborate and have a coherent presence and force in the field and in our educational system. Most participants also said they would like to do something to change that reality.

In order to respond productively to these forces, the Department of Education must refine our focus, our way of working and our interactions with each other, our partners, and educators in the field.

The structure we have defined is intentionally focused on:

1. Supporting schools to improve instruction and learning for all students.
2. Mobilizing our staff around that mission.
3. Organizing our work in a way that is dramatically different from the way we work now by forming school support teams composed of many different consultants with varying areas of educational expertise and having them work together both vertically and horizontally.

An overview of the new team structure we are forming follows:

Integrated Support for Learning: High quality instruction and leadership support make the most significant difference in the achievement of all students. Content, grade level, special education, educational support system, special populations and programs, safe schools and school improvement consultants work together to create integrated teams of consultants with expertise in providing support to schools in implementing evidence based practices, school-wide improvement models, and prevention models to improve instruction and learning for every child in Vermont.

This division will be organized into teams emphasizing supports for PK-8 and 9-16 in order to focus efforts on the practices and models shown to be most effective in those environments. Significant overlap in division, workgroup and team structures will exist as work is organized to prioritize capacity building at a supervisory union and regional level to ensure sustained implementation of best practices designed to accomplish the outcomes outlined above. The work of school support teams will emphasize best practice implementation, sustainability and scalability. Therefore much of our work will be around building SU level and regional capacity to sustain high quality instruction and high expectations for learning for all students. Additionally, all schools will be assigned one primary contact at the DOE on this team for purposes of communication, technical assistance, and planning.

General Supervision and Monitoring: Proactive monitoring, support and accountability systems share common strategies, systems and skill sets and more effectively engender improvement long term. We will build capacity to provide proactive, coherent oversight to schools and supervisory unions by

Improving Instruction and Learning for All Children

bringing monitoring and regulatory oversight teams from many of our programs together in one division to create a comprehensive approach to monitoring for federal and state regulatory compliance.

Best practices in focused monitoring will be applied across programs, and multidisciplinary teams will be deployed to increase monitoring capacity and provide a coherent approach to monitoring at the school and supervisory union level. Teams will focus on building SU/regional capacity for federal programs and state regulatory implementation, internal monitoring expertise and problem solving to ensure sustained compliance.

Monitoring teams will interface directly with school support and improvement teams to strengthen the effectiveness of preventive efforts, action planning and remediation.

Educator Quality (comprises Licensing and Professional Standards): The essentialness of well-prepared, supported educators and leaders in the field – we know this makes the single greatest difference in the educational lives of our children. High-quality teaching standards tied to evidence-based teaching practices and content standards provide a foundation for teacher preparation and effectiveness. The Educator Quality division will focus on strengthening connections between educator standards development and teacher preparation programs, increase alternate pathways to licensure and reciprocity with New England states, and develop regional and state capacity for providing high quality educator and leadership professional learning programs.

Research, Standards, and Assessment: High-quality research, standards and assessments provide a framework for teaching and learning. Ongoing research into best practice and learning outcomes continually informs the standards development and implementation process. The Standards and Assessment team will focus on an effective implementation plan for engaging educators in the field and facilitating all schools in adopting and implementing the K-12 common core standards and accompanying assessments. This team will maintain the NECAP and NAEP assessment systems concurrently during the transition period. Additionally, this team will be engaged with other divisions in analyzing the effectiveness of instructional practices and implementation of current and future research findings.

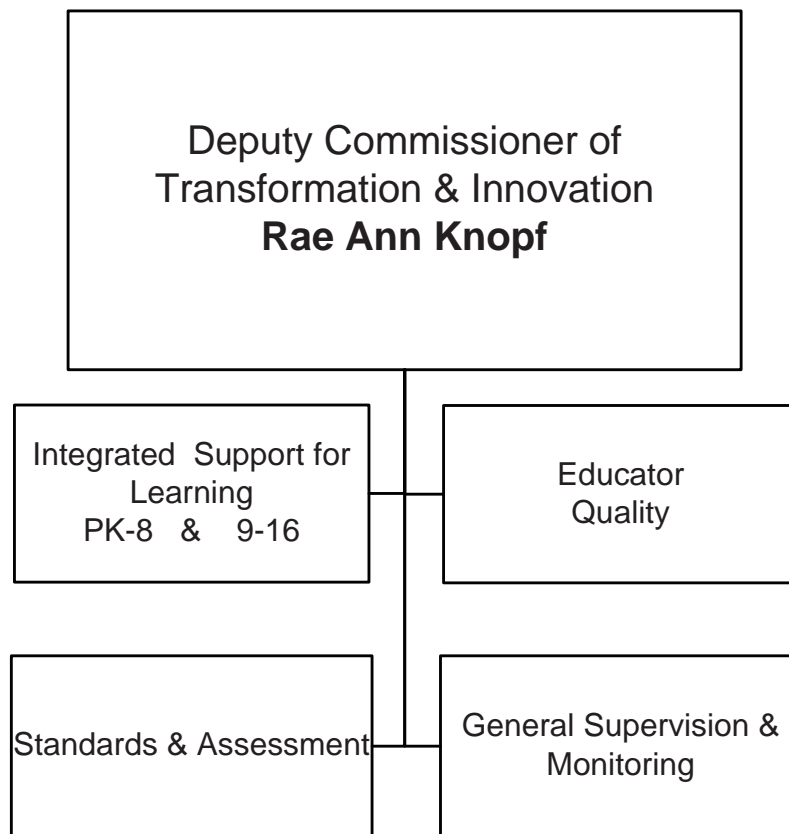
Project Teams: Project teams are an effective way of bringing diverse individuals together to focus on a time-limited objective or body of work. We will continue to form project teams to address these areas as they arise. Internal participation and engagement of partner organizations and agencies is encouraged.

The Transition: Starting in January, new division leaders have come together to form a new leadership team and further define operational expectations. Over the next five months, we will work with all staff and with each other to better understand the existing work that is being done and planned to be done. We will create a comprehensive plan to move to working together in the new ways over the coming year.

As we evaluate our existing work and modify it to drive our future goals, we will look at each piece of our work through this lens: What does it do to help educators in the field accomplish our desired outcomes for all students?

In those areas where our work does not directly contribute to or work in support of these objectives, we will prioritize and modify the nature of the work accordingly.

Education Services



Education Services Summary

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	13,136,696	12,293,389	(843,307)
OPERATING EXPENSES	1,873,037	1,598,645	(274,392)
GRANTS	<u>113,036,906</u>	<u>166,660,075</u>	<u>53,623,169</u>
TOTAL ALL CATEGORIES	128,046,639	180,552,109	52,505,470
SOURCE OF FUNDS			
GENERAL FUND (A)	5,410,358	4,782,258	(628,100)
EDUCATION FUND (B)	1,131,751	1,131,751	0
FEDERAL FUNDS (C)	119,289,540	125,832,574	6,543,034
ARRA FUNDS (D)	0	46,719,169	46,719,169
SPECIAL FUNDS (E)	2,189,254	2,061,526	(127,728)
INTERDEPT. TRANSFER (F)	<u>25,736</u>	<u>24,831</u>	<u>(905)</u>
TOTAL ALL SOURCES	128,046,639	180,552,109	52,505,470

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
PERSONAL SERVICES	3,225,348	2,738,417	(486,931)
OPERATING EXPENSES	342,701	273,977	(68,724)
GRANTS			
1 Adult Services Coordinator	221,480	203,762	(17,718)
2 Tech Ed Adult Formula	79,380	73,030	(6,350)
3 Statewide Infants & Toddlers	139,507	128,346	(11,161)
4 Early Reading	104,860	104,860	0
5 Special Olympics	14,447	13,291	(1,156)
6 Child Nutrition - State Match	453,348	453,348	0
7 Child Nutrition - Child Care	223,268	223,268	0
8 Child Nutrition - Breakfast	302,632	302,632	0
9 Child Nutrition - Summer Food	51,387	51,387	0
10 School Wellness	30,000	27,600	(2,400)
11 Educator Quality Initiative	15,000	0	(15,000)
12 Teacher of the Year	5,000	2,500	(2,500)
13 Governor's Institutes	<u>202,000</u>	<u>185,840</u>	<u>(16,160)</u>
TOTAL GRANTS	<u>1,842,309</u>	<u>1,769,864</u>	<u>(72,445)</u>
TOTAL GENERAL FUND	5,410,358	4,782,258	(628,100)

Education Services Grants

1. Adult Service Coordinator Salary

Assistance: These funds are disbursed as payments to each technical center district to pay a portion of its adult education coordinator's salary.

2. Adult Technical Education Formula:

These grants are awarded to 15 regional technical centers to support educational services for adults. Grants provide resources necessary to address the training needs of students and businesses in the region.

3. Statewide Infants and Toddlers: These funds support services for children with disabilities and their families, from the child's birth to age three. The program is administered jointly with the Agency of Human Services.

4. Early Reading: These funds support the implementation of the State Board's Comprehensive Plan for Early Reading Success. Major components include professional development for educators and administrators, development and distribution of reading materials for parents, and assistance to strengthen instruction and curricula for pre-school and pre-service teachers.

5. Special Olympics: This program helps ensure that children and adults who have developmental delays have access to unified sports activities with non-disabled peers.

6. Child Nutrition – State Match: Regulations for the National School Lunch Program require states to provide funds to schools participating in the school lunch program. The amount is based on appropriated federal funds. Ninety percent of the state match is allocated to schools on a per-meal basis. Ten percent of the total required state matching funds are set aside for a competitive grant program for food service equipment.

7. Child Nutrition – Child Care: These funds support breakfasts and lunches served in daycare homes where federal subsidies were cut by the federal Welfare Reform Act of 1996.

8. Child Nutrition – Breakfast: To the extent funds are appropriated, this program fills the gap between the amount of federal reimbursement schools receive per meal and the actual cost to prepare a school breakfast.

9. Child Nutrition – Summer Food Service Program:

These funds supplement the cost of lunches served at summer food service sites where federal subsidies were cut by the federal Welfare Reform Act.

10. School Wellness: Grants may be used to establish a wellness program advisory council, inventory programs and assets, gather data about the health status of children in the community, adopt a fitness and nutrition policy or implement and coordinate wellness programs in the school community based on the adopted policy.

11. Educator Quality Initiative: These funds support the National Board Certification process by providing administrative, professional development and financial assistance. These funds were eliminated in the FY10 rescission.

12. Teacher of the Year: These funds will be used by the 2010 Vermont Teacher of the Year in support of direct classroom materials and instruction. These funds were reduced by 50 percent.

13. Governor's Institutes: These funds provide about 20 percent of the costs for summer institutes for highly motivated high school students. Institutes are held on Vermont college campuses and draw additional support from businesses, foundations, schools and participating students' families.

Education Services Budget Summary

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
(B) EDUCATION FUNDS			
PERSONAL SERVICES	0	0	0
OPERATING EXPENSES	0	0	0
GRANTS			
14 Early Education Initiative	1,131,751	1,131,751	0
TOTAL EDUCATION FUNDS	1,131,751	1,131,751	0
(C) FEDERAL FUNDS			
PERSONAL SERVICES	8,922,689	8,472,449	(450,240)
OPERATING EXPENSES	1,148,285	1,118,834	(29,451)
GRANTS			
15 Carl Perkins Secondary	3,121,851	3,121,851	0
16 Carl Perkins Post-secondary	820,260	820,260	0
17 Carl Perkins Tech. Prep.	260,906	260,906	0
18 Carl Perkins State Leadership	49,500	49,500	0
19 Carl Perkins Corrections	50,132	50,132	0
20 Preschool Incentive - Discr	50,000	50,000	0
21 Title V	189,000	0	(189,000)
22 Community Learning Centers	5,340,000	5,650,000	310,000
23 Reading First	3,688,577	3,688,577	0
24 Byrd Honors Scholarship	79,500	79,500	0
25 Title I Grants to LEAs	27,525,200	28,500,000	974,800
26 Title I Migrant	775,000	775,000	0
27 Title I Neglected or Delinquent	600,000	600,000	0
28 Homeless Education Act	130,000	130,000	0
29 Even Start	325,000	325,000	0
30 Title II, ITQ	13,393,514	15,825,070	2,431,556
31 Title II, ITQ SAHE	344,000	344,000	0
32 IDEA-B Flow-Thru & Disc.	23,501,519	24,509,519	1,008,000
33 Preschool Incentive	591,264	691,264	100,000
34 State Improvement Grant	265,927	265,927	0
35 School Lunch Program	11,894,859	13,084,345	1,189,486
36 Child & Adult Care Food Program	5,460,000	6,006,000	546,000
37 School Breakfast Program	4,400,000	4,840,000	440,000
38 Summer Food Service Program	420,000	462,000	42,000
39 Special Milk Program	82,000	90,200	8,200
40 Cash in Lieu of Commodities	88,400	97,240	8,840
41 Safe & Drug-free Schools	1,847,157	1,900,000	52,843
42 Title I - School Improvement	1,550,000	1,000,000	(550,000)
43 Math & Science Partnership	800,000	900,000	100,000
44 Title III ELA	325,000	325,000	0
45 Title II, Part D	1,250,000	1,250,000	0
46 School Improvement Supplemental	0	550,000	550,000
TOTAL GRANTS	109,218,566	116,241,291	7,022,725
TOTAL FEDERAL FUNDS	119,289,540	125,832,574	6,543,034

Education Services Grants

14. Early Education Initiative (EEI): These funds support grants to organizations and schools to provide early childhood education services to at-risk preschoolers.

15. Carl Perkins Secondary: These federal funds are awarded as formula grants to regional technical centers and comprehensive high schools for program improvement.

16. Carl Perkins Post-secondary: These federal funds are awarded as formula grants to post-secondary technical education providers for program improvement.

17. Carl Perkins Technical Preparation: These federal funds are awarded as grants to technical education providers to develop programs that link secondary and post-secondary curricula.

18. Carl Perkins State Leadership: Grants are awarded to technical education providers to assist in developing high standards and high-quality curricula.

19. Carl Perkins Corrections: This federal grant supports career and technical education for inmates at correctional facilities.

20. Preschool Incentive - Discretionary: Funds support statewide projects, technical assistance, compliance monitoring and training regarding special education costs for children ages 3 to 5.

21. Title V (Innovative Programs): Under NCLBA, Title V supports innovative programs in schools for improving student achievement, promoting rigorous standards and contributing to overall school reform efforts. Federal funding ended in September 2009.

22. 21st Century Community Learning Centers (Title IV B): This federal appropriation is distributed to school districts that create highly structured innovative extended-day or extended-year programs. Funds provide expanded opportunities for student learning in safe, supervised settings and promote parental involvement in schools.

23. Reading First: This competitive grant is available to LEAs and eligible schools within those LEAs based on poverty and performance criteria. Schools must use scientifically based instruction, reading programs and materials. Reading First supports statewide and local professional development opportunities.

24. Byrd Honors Scholarship: Granted through Vermont Student Assistance Corporation (VSAC), these funds are used to award up to 15 scholarships of \$1,500 each to high school graduates who have demonstrated outstanding academic achievement and show promise of continued excellence. Scholarships are renewable for an additional three years.

25. Title I - Grants to LEAs: Funds support academic assistance for eligible students who are failing or at risk of failing the state's performance standards. Title I supports educator professional development as a means of helping all students succeed.

26. Title I - Migrant: These funds are used for the design of educational and support services for children of migratory agricultural workers who have changed school districts within the preceding 36 months.

Education Services Grants

27. Title I - Neglected or Delinquent:

These funds support education activities, such as transition and dropout prevention, for youth in state correctional facilities, state-operated institutions or community day programs.

28. McKinney Vento Homeless Education

Act: Funds support programs to ensure that homeless children and youth have equal access to the same free, appropriate public education – including preschool – provided to other children and youth. Vermont has five programs, including one that provides technical assistance to schools. Mini-grants support allowable expenses for individual homeless children and youth.

29. Even Start: Funds are used to integrate adult, parenting and early childhood education into a comprehensive program designed to break intergenerational cycles of poverty and low literacy. Services focus on children from birth to age 7 and their parents. Families are selected for services based on economic and educational needs.

30. Title II, Part A - Improving Teacher

Quality State Grants: This program is funded by federal monies for LEA entitlement subgrants and State Education Agency technical assistance. Funds support professional development and other initiatives to ensure that schools have highly qualified teachers, principals and paraprofessionals.

31. Title II, Part A - State Agency for Higher Education (SAHE): This competitive grant program supports partnerships between institutions of higher education and LEAs to provide quality professional development for teachers, principals and paraprofessionals.

32. IDEA-B Flow-thru & Discretionary

Fund: These federal funds flow directly to schools to assist with the costs of special education for children and youth ages 3 to 22.

33. Preschool Incentive: These funds flow directly to schools to assist with special education costs for children ages 3 to 5. Remaining funds support statewide projects, technical assistance, compliance monitoring and training.

34. State Improvement Grant: These federal funds support training and personnel development in the areas of early childhood education, preparation of speech language pathologists and integrated instruction model to improve achievement of students with disabilities.

35. School Lunch Program: Funds are used to reimburse school food service programs for meals served in school lunch programs.

36. Child and Adult Care Food Program:

These funds are used to reimburse program sponsors for meals served in child care and adult care programs. In addition, centers can receive cash in lieu of commodity foods. Daycare home sponsors receive administrative payments.

37. School Breakfast Program: These funds reimburse school food programs for meals served in school breakfast programs.

38. Summer Food Service Program: These funds reimburse sponsors for meals served and for administrative costs.

39. Special Milk Program: These funds are used to reimburse providers for milk served at schools or other sites that do not participate in a federal meal program.

Education Services Grants

40. Cash in Lieu of Commodities: Funds allow participating child care centers to choose to receive cash payments instead of U.S. Department of Agriculture food.

41. Safe and Drug-free Schools and Communities: These funds support school programs that work to prevent alcohol, tobacco and other substance use, and to reduce school violence.

42. Title I School Improvement: Pass-through funds are allocated to Title I schools by a formula that considers poverty, school size and other indicators for which the school does not make Adequate Yearly Progress. Schools apply for funds by developing a budget aligned with the commissioner's required actions.

43. Math & Science Partnership: This competitive grant program funds high-quality, content-driven professional development in mathematics and science. Partnerships must include a high-needs Local Education Agency (LEA) and Arts and Sciences faculty from an institution of higher education. Additional partners may include education department faculty, non-profits, businesses and other LEAs. The goal is to deepen knowledge of mathematics and science content for K-8 teachers.

44. Title III English Language Instruction for Limited English Proficient (LEP) and Immigrant Students: These funds assist LEAs in addressing the needs of LEP students. Formula-based subgrants are awarded to eligible LEAs to provide language instruction to help LEP students meet Vermont's academic standards.

45. Title II, Part D (Enhancing Education Through Technology): A combination of entitlement and competitive grants, these funds help high-need schools purchase technology hardware and provide training and support for technology applications that enhance learning. Funds also support implementation of approved technology plans and related professional development activities.

46. School Improvement Supplemental: The school improvement efforts go to supporting schools identified for not making Adequate Yearly Progress under NCLBA. These funds have been distributed for three years and in FY10 and FY11 ARRA funds were made available as well.

Education Services Budget Summary

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
(D) ARRA FUNDS			
PERSONAL SERVICES	0	0	0
OPERATING EXPENSES	0	0	0
GRANTS			
47 IDEA-B ARRA	0	20,000,000	20,000,000
48 Title I ARRA	0	16,600,000	16,600,000
49 Title I School Improv ARRA	0	772,962	772,962
50 Preschool ARRA	0	782,000	782,000
51 Homeless ARRA	0	82,175	82,175
52 Title IID ARRA	0	2,407,032	2,407,032
53 School Improvement ARRA	0	6,075,000	6,075,000
TOTAL ARRA FUNDS	0	46,719,169	46,719,169
(E) SPECIAL FUNDS			
PERSONAL SERVICES	962,924	1,057,692	94,768
OPERATING EXPENSES	382,050	205,834	(176,216)
GRANTS			
54 Licensing	79,500	90,000	10,500
55 Nellie Mae Foundation	126,780	70,000	(56,780)
56 Reading Readiness	238,000	238,000	0
57 Statewide System of Support	400,000	400,000	0
TOTAL GRANTS	844,280	798,000	(46,280)
TOTAL SPECIAL FUNDS	2,189,254	2,061,526	(127,728)
(F) INTERDEPT. TRANSFER			
PERSONAL SERVICES	25,736	24,831	(905)
OPERATING EXPENSES	0	0	0
GRANTS	0	0	0
TOTAL INTERDEPT. TRANSFER	25,736	24,831	(905)
TOTAL ALL SOURCES	128,046,639	180,552,109	52,505,470

Education Services Grants

47. IDEA-B ARRA: The IDEA Basic Flow Through funds are budgeted and used for the allowable special education costs, and are used for serving eligible students who are at least three years old up to their 22nd birthday, as well as for “child find” for children birth through age 21. These are one-time funds for 27 months.

48. Title I ARRA: Title I, Part A funds to local education agencies (LEAs) are distributed to schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards. These are one-time funds for 27 months.

49. Title I School Improvement ARRA: Priority schools are public schools in which a high percentage of students come from poverty and are not meeting the standards on state assessments. These are one-time funds for 27 months.

50. Preschool ARRA: The IDEA Pre-School Flow Through funds are budgeted and used for the allowable special education costs. The Pre-School Flow Through funds are to be used for serving eligible students who are at least three years old up to their 6th birthday. These are one-time funds for 27 months.

51. Homeless ARRA: This funding to LEAs is intended to assist with excess transportation expenses to schools of origin, as well as school supplies and other allowable expenses that eliminate barriers for homeless students to enroll, attend and succeed in school. These are one-time funds for 27 months.

52. Title IID ARRA: The Content-based Technology grants go to schools in amounts ranging from \$2,000 to \$10,000 depending on the content area. This

project represents ARRA funding that is making an impact on technology and its use in 21st century schools.

53. School Improvement ARRA: Priority schools are public schools in which a high percentage of students come from poverty and are not meeting the standards on state assessments. These are one-time funds for 27 months.

54. Licensing: Generated from educator licensing fees, these funds support the local and regional standards boards that are responsible for recommending educator re-licensure.

55. Nellie Mae Education Foundation: The Nellie Mae Education Foundation and the department’s 21st Century Community Learning Centers Program are collaborating by providing grant funds to identify, support and replicate promising practices for middle school students. Grants are awarded for exemplary afterschool and summertime programs.

56. Reading Readiness: These funds are given as subgrants to support school, community and regional efforts to help students meet or exceed reading standards. Grants support America Reads, the Vermont Reads Institute and regional consortia in providing technical assistance, professional development and resources to schools and communities. Needs are identified through local action plans and assessments.

57. Statewide System of Support: Funds are used for the development of Educational Services Agencies (ESAs) that identify professional development needs and deliver high-quality professional development opportunities to LEAs on a regional basis.

Stand-alone Grants

The following grants are referred to as stand-alone grants because each one has a separate appropriation.

Technical Education	28
Special Education Formula	30
State-placed Students	32
Adult Education & Literacy	33
Statewide Education Spending.....	34
Essential Early Education	36
Transportation	36
Small School Support	37
Capital Debt Service Aid	37
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Technical Education

This funding supports technical education in accordance with 16 V.S.A. §1563 and 1565, state financial assistance.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS	12,800,000	12,784,382	(15,618)
SOURCE OF FUNDS			
EDUCATION FUND	12,800,000	12,784,382	(15,618)

SOURCE OF FUNDS DETAIL

(B) EDUCATION FUND			
GRANTS			
1 Tech. Ed. Tuition Reduction	8,547,953	8,372,000	(175,953)
2 Tech. Ed. Salary Assistance	1,874,685	2,004,770	130,085
3 Tech. Ed. Transportation	1,355,200	1,385,450	30,250
4 Youth Leadership	78,328	78,328	0
5 Secondary School Reform	100,000	100,000	0
6 Innovative Program Development	343,834	343,834	0
7 Tech Ed Equipment	<u>500,000</u>	<u>500,000</u>	<u>0</u>
TOTAL GRANTS	12,800,000	12,784,382	(15,618)
TOTAL EDUCATION FUND	12,800,000	12,784,382	(15,618)

Grants

1. Technical Education Tuition Reduction:

Funds are disbursed as payments to technical centers to reduce the tuition paid by school districts, based on three-year average enrollments.

2. Technical Education Salary Assistance:

Funds are disbursed as payments to technical center districts to help defray the costs of salaries for technical center directors, guidance coordinators and cooperative education coordinators.

3. Technical Education Transportation:

Funds reimburse costs of transporting students to technical centers. The per mile adjusted reimbursement rate is calculated annually.

4. Youth Leadership: Funds support student organizations that promote youth leadership development activities and participation in regional, state and national skills competitions.

5. Secondary School Reform: Funds support school change initiatives at the middle and secondary levels based on the *High Schools on the Move* principles. Initiatives include but are not limited to student engagement, integration of academic and career skills, challenging standards, improvement of instructional practice, family and community involvement and others.

6. Innovative Program Development:

Funds help cover start-up costs for new and innovative programs that educate students in emerging career fields with high skills and wage potential.

7. Technical Education Equipment:

Funds are distributed to technical centers to update or replace equipment. This grant was formerly funded in the Capital bill but has been included here to reduce unnecessary interest expense.

Special Education Formula

The formula is largely a reimbursement system that distributes funds through the grants listed on the next page.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS	142,687,975	142,687,975	0
SOURCE OF FUNDS			
EDUCATION FUND	142,457,975	142,457,975	0
SPECIAL FUND	230,000	230,000	0

SOURCE OF FUNDS DETAIL

(A) EDUCATION FUND			
GRANTS			
1 Mainstream Block Grant	30,685,261	31,082,169	396,908
2 Special Ed. Expend. Reimb.	100,245,633	98,813,169	(1,432,464)
3 Extraordinary Reimbursement	8,456,427	9,491,983	1,035,556
4 I-Team & Regional Specialist	712,978	712,978	0
5 Hearing Impaired	824,405	824,405	0
6 Visually Impaired	501,879	501,879	0
7 BEST	496,381	496,381	0
8 Act 230 Training	365,950	365,950	0
9 Higher Education Participation	169,061	169,061	0
TOTAL GRANTS	142,457,975	142,457,975	0
TOTAL EDUCATION FUNDS	142,457,975	142,457,975	0
(B) SPECIAL FUNDS			
GRANTS			
10 I-Team & Regional Specialist	230,000	230,000	0
TOTAL SPECIAL FUNDS	230,000	230,000	0
TOTAL ALL SOURCES	142,687,975	142,687,975	0

Grants

1. Mainstream Block Grant: These funds provide a block grant for each town based on 60 percent of the statewide average salary for: (1) 9.75 special education teaching positions per 1,000 Average Daily Membership (ADM), and (2) up to two special education administrators per supervisory union/district based on ADM (16 V.S.A. § 2961).

2. Special Education Expenditures Reimbursement (Intensive Services Reimbursement): This grant reimburses expenses based on a fixed rate for eligible special education costs not covered by another part of the formula or by federal or other state funds.

3. Extraordinary Reimbursement: Funds provide 90 percent reimbursement for high-cost services in excess of \$50,000 for individualized education programs (IEPs).

4. Interdisciplinary Team and Regional Multi-disability Specialist: This grant supports services and consultation for children who have multiple disabilities and serious emotional disturbances.

5. Hearing Impaired: Funds support services for students with hearing impairments, including salaries for six regional specialists who consult with schools on accommodating children with severe hearing impairments.

6. Visually Impaired: These funds enable the Vermont Association for the Blind and Visually Impaired to employ itinerant teachers to consult with schools, provide direct instruction in Braille, assist with selection of low-vision aids and provide mobility training.

7. Building Effective Supports for Teaching (BEST): These funds assist schools in developing and implementing school-based plans to improve their ability to effectively respond to challenging student behaviors. They support training opportunities, technical assistance and regional service partnerships to meet the needs of students who have emotional and behavioral problems.

8. Act 230 Training Grants: Funds are granted to supervisory unions/districts for administrator and staff training to better meet student needs and to enhance education support systems.

9. Higher Education Participation: These funds support tuition reimbursement and stipends for special education teacher training.

10. Interdisciplinary Team and Regional Multi-disability Specialist: This grant supports services and consultation for children who have multiple disabilities and serious emotional disturbances.

State-placed Students

A state-placed student is one who is placed by the Agency of Human Services or a state-licensed agency in a school district outside of his or her parents' district(s) of residence.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS	18,900,000	16,402,836	(2,497,164)
SOURCE OF FUNDS			
EDUCATION FUND	18,900,000	16,402,836	(2,497,164)

SOURCE OF FUNDS DETAIL

EDUCATION FUND			
GRANTS			
1 LEA Reimbursement	10,467,207	9,413,441	(1,053,766)
2 Indiv. Residential Placement	7,435,193	6,000,000	(1,435,193)
3 Special Services	691,600	688,395	(3,205)
4 Regular Education Tuition	306,000	301,000	(5,000)
TOTAL GRANTS	18,900,000	16,402,836	(2,497,164)
TOTAL EDUCATION FUNDS	18,900,000	16,402,836	(2,497,164)

Grants

1. LEA (Licensed Education Agency)

Reimbursement: These funds are used to reimburse school districts for special education costs beyond mainstream services incurred for students with individualized education programs (IEPs).

2. Individual Residential Placement:

These funds provide payments to approved independent schools or tutorial programs for educational costs of students in residential facilities.

3. Special Services:

These funds are used to reimburse school districts for special services approved by the commissioner for non-IEP students. They also may be used for payments to the Lund Home for daytime educational services for pregnant or parenting teens, or for tuition or special education costs for Vermont students placed in foster care in other states.

4. Regular Education Tuition:

These funds are used to reimburse towns that do not operate their own schools for tuitioning students to other school districts.

Adult Education & Literacy

This appropriation supports the Adult Education and Literacy (AEL) program. These amounts include federal, state, High School Completion and Adult Diploma Program funds.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS	6,463,656	7,463,656	1,000,000
SOURCE OF FUNDS			
GENERAL FUND (A)	787,995	787,995	0
FEDERAL FUNDS (B)	875,661	875,661	0
EDUCATION FUND (C)	<u>4,800,000</u>	<u>5,800,000</u>	<u>1,000,000</u>
TOTAL ALL SOURCES	6,463,656	7,463,656	1,000,000

SOURCE OF FUNDS DETAIL

(A) GENERAL FUND			
GRANT (ONLY CATEGORY)	<u>787,995</u>	<u>787,995</u>	<u>0</u>
TOTAL GENERAL FUND	787,995	787,995	0
(B) FEDERAL FUNDS			
GRANT (ONLY CATEGORY)	<u>875,661</u>	<u>875,661</u>	<u>0</u>
TOTAL FEDERAL FUNDS	875,661	875,661	0
(C) EDUCATION FUND			
GRANT (ONLY CATEGORY)	<u>4,800,000</u>	<u>5,800,000</u>	<u>1,000,000</u>
TOTAL EDUCATION FUND	4,800,000	5,800,000	1,000,000
TOTAL ALL SOURCES	6,463,656	7,463,656	1,000,000

Statewide Education Spending Grant

This grant is the primary funding source for public education in Vermont under Chapter 133 of 16 V.S.A.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	1,136,100,000	1,158,782,834	22,682,834
SOURCE OF FUNDS			
EDUCATION FUND (A)	1,097,524,964	1,120,207,798	22,682,834
ARRA TRANSFER FUNDS (B)	<u>38,575,036</u>	<u>38,575,036</u>	<u>0</u>
ARRA Transfer	1,136,100,000	1,158,782,834	22,682,834

SOURCE OF FUNDS DETAIL

EDUCATION FUND			
GRANTS			
1 Education Spending Grant	1,131,172,354	1,154,658,483	23,486,129
2 Adult Diploma Program	678,516	667,411	(11,105)
3 VT Academy of Science & Tech	260,155	260,155	0
4 ADM Adjustments	150,000	150,000	0
5 Tech FTEs Not Enrolled	355,149	408,815	53,666
6 Driver Education	450,706	450,706	0
7 Community H.S. of VT	<u>3,033,120</u>	<u>2,187,264</u>	<u>(845,856)</u>
TOTAL EDUCATION FUND	1,136,100,000	1,158,782,834	22,682,834

Grants

1. Education Spending Grant: Under 16 V.S.A. §4011(a), funds must be appropriated to pay for each district's education spending amount. The amount provided here is an estimate.

2. Adult Diploma Program: This program allows adults without high school diplomas to substitute work and other experience for credit toward earning their diplomas. According to 16 V.S.A. §4011(f), the department is required to pay an amount equal to 0.26 times the Education Spending Grant for each student who completed the program's diagnostic component portion in the previous year.

3. Vermont Academy of Science and Technology (VAST): State funding for this program is required under 16 V.S.A. §4011(e), which directs the department to pay an amount equal to 0.87 times the Education Spending Grant for each Vermont resident enrolled in the program. VAST operates an approved independent 12th-grade program housed at Vermont Technical College.

4. Average Daily Membership Adjustments (ADM): This adjustment is used to reconcile the amount of taxes raised based on equalized pupils when a district has miscounted its ADM prior to January 15, as allowed by 16 V.S.A. § 4030(d).

5. Tech Full-time Equivalents Not Enrolled: Under 16 V.S.A. § 4011(g), this payment is to refund districts for resident students attending a technical center at public expense but who are not enrolled in a public high school. These students are not counted in the district ADM.

6. Driver Education Program Grants: These funds provide partial reimbursement to schools that offer driver education programs. The state share of support for this program is less than 25 percent. In FY10 these funds moved from the General Fund to the Education Fund.

7. Community H.S. of VT: The Community High School of Vermont serves incarcerated youth who have not received a high school diploma and are in the custody of the Department of Corrections. These funds are passed through to the Department of Corrections.

Essential Early Education

Federal regulations require school districts to provide special education services to eligible children ages 3 to 5. Essential Early Education (EEE) serves children ages 3 to 5 who are at risk for early school failure and children birth to age 2 with disabilities.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	5,700,000	5,679,216	(20,784)
SOURCE OF FUNDS			
EDUCATION FUND	5,700,000	5,679,216	(20,784)

Transportation

Administered through the School Finance Team, these funds are used to reimburse about half of school district expenditures to transport students to and from school. Exact reimbursement percentages are limited by appropriated amounts and are determined by the amount of district expenditures.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	15,542,809	15,782,031	239,222
SOURCE OF FUNDS			
EDUCATION FUND	15,542,809	15,782,031	239,222

Small School Support Grants

Under 16 V.S.A. §4015, these funds provide formula grants to schools with a two-year average combined enrollment of less than 100 students, or with an average grade size of 20 or fewer students. They also provide financial stability grants to limit the loss of funds in small schools with declining enrollments. These funds are administered through the School Finance Team.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	6,977,336	7,000,000	22,664
SOURCE OF FUNDS			
EDUCATION FUND	6,977,336	7,000,000	22,664

Capital Debt Service Aid

Administered through the School Finance Team, these formula grants are awarded to eligible school districts for principal and interest payments on projects adopted before July 1, 1997.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
GRANTS (ONLY CATEGORY)	188,000	180,000	(8,000)
SOURCE OF FUNDS			
EDUCATION FUND	188,000	180,000	(8,000)

Tobacco Litigation Fund

These funds support grants to schools for tobacco prevention activities and for department personnel and operating costs. Nearly 60 local supervisory unions/districts receive up to \$30,000 annually (\$6 per pupil) to implement proven tobacco prevention initiatives. Using strategies such as district-level coordination, effective curricula, improved policies, youth cessation programs and parent and community education, Vermont schools have shown a significant decline in eighth-grade tobacco use over the last several years.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	131,153	129,931	(1,222)
OPERATING EXPENSES	57,584	46,222	(11,362)
GRANTS	<u>800,180</u>	<u>812,764</u>	<u>12,584</u>
TOTAL ALL CATEGORIES	988,917	988,917	0
SOURCE OF FUNDS			
TOBACCO FUND	988,917	988,917	0

Act 117 Cost Containment

Passed by the Legislature in 2000, Act 117 is designed to increase the capacity of the educational system to meet the needs of more students outside of special education, while curbing increases in special education costs.

	FISCAL 2010 APPROP ACT	FISCAL YEAR 2011	
		STATE BOARD RECOMMEND	FY2010 TO FY2011
CATEGORY OF EXPENDITURE			
PERSONAL SERVICES	1,070,398	1,059,820	(10,578)
OPERATING EXPENSES	121,307	131,887	10,580
GRANTS	<u>91,000</u>	<u>91,000</u>	<u>0</u>
TOTAL ALL CATEGORIES	1,282,705	1,282,707	2
SOURCE OF FUNDS			
SPECIAL FUND	1,282,705	1,282,707	2